International trends show China is hot news

Global advertising expenditure for the past year (2004) is likely to rise by 6.9% year-on-year, to around $370 billion ($276.32bn; £190.97bn), predicts international media network ZenithOptimedia, which also says that ad expenditures in the Asia Pacific region will overtake that of Europe within the next 10 years. Europe currently spends around $94.4bn annually (26% of total world advertising), while Asia-Pacific generates $75.6bn (20%).

The main driver of the oriental acceleration will be the People's Republic of China - currently on a par with Italy with aroun $9bn annual adspend - which by 2006 will have grown to $12bn.

At the annual UBS Media Week Conference in the United States, Bob Coen, director of forecasting at Universal McCann, was upbeat: "The year 2005 looks like it's going to be a very good year for the advertising industry."

At the same conference, Steve King, worldwide CEO of ZenithOptimedia, agreed that the Asia Pacific region will see the largest upsurge in total advertising outlay over the next three years, and also predicted "the internet will shortly overtake outdoor as a mass medium".

King also believes that 2005 promises the best global adspend scenario since 2000, with global spending growth of about - nudging 6% in 2006 and 2007. To date, 2004 global ad spending has grown nearly 7% to around $370 billion.

Print media warned over rates

In the year ahead, the global media costs surge will be led by China, Latin America and Russia.

Cinema remains the most expensive medium per 1000, its higher cost due to its powerful impact on a captive audience. B the report forecasts a 0.5% fall in the CPT of online advertising - currently three times that of TV - thereby marginally reducing the price differential between online and traditional media.

Radio, meantime, has delivered more audience for advertisers' money over the last four years, although outdoor is still the cheapest medium.

Initiative Worldwide, the Interpublic-owned media planning and buying network, has fired a warning shot across the bows the global print media industry. Predicting that ad rates will surge globally by 9.2% - well beyond expected rates of inflatior newspapers and magazines are in danger of pricing themselves out of the media mix, cautions Sue Moseley, managing director of Initiative Futures Worldwide, the network's research unit.

Initiative's 2004 media cost and inflation report monitored forty-four different markets around the world, measuring the ad costs-per-thousand individuals reached by television, newspapers, cinema, internet and radio. The study predicts that CP for magazines will rise 6.8%, while the same yardstick for television will register an increase of 5%.

Says Moseley of the inflationary trend: "What's surprising is the extent to which it's continuing to grow." She attributes the rise to "demand and supply", also observing "it's good news for the media owners and something that the media buying industry has lived with for many years".

Since 2000, newspaper advertising costs have risen 41%, an increase Moseley believes is unsustainable: "Increasingly le economically viable," to use her exact words. "Supply is falling, demand is growing but at some point there's going to be a realignment where people say 'hello, that's no longer affordable'."

Chinese media investment boosted

HBO, Nickelodeon and National Geographic are just some of the globe's top TV networks eager to benefit from China's amended laws on media investment.

Under new rules coming into effect next week, Chinese media companies can now team up with foreign TV networks to employ their program-developing skills or actual content itself for use on digital television channels designed for the Chines audience. Foreign media networks can own up to 49 percent of program production tie-ups, something previously closed to non-Chinese companies.

China's administration is keen to develop the country's digital television infrastructure, commentators say, and foreign investors are equally keen to tap into this potentially money-spinning market.

Ad revenue generated from print and TV was estimated at $18.7 billion (€14.22bn; 9.95bn) last year, and is predicted to s year-on-year for the immediate future. China Central Television (CCTV) and Shanghai Media Group (SMG), the nation's t two media firms, are the two main players developing China's digital platforms and will host the new channels.

Asia upbeat

And worldwide consumer confidence survey says those in the Asia Pacific region are feeling best about their economic prospects. The online questionnaire, carried out by global researcher ACNielsen, asked more than 14 000 consumers across Asia, Europe and the US about confidence and spending patterns.

Topping the list is Singapore, with 66% of people believing their local economy has improved in the last six months, closely followed by China and Hong Kong.

Chinese mainland consumers are most confident about future prospects, with 78% believing the economy will continue to improve through the next twelve months. They are also saving more money after rises in interest rates at the end of Octobe part of a government bid to curb inflation.

But Chinese consumers are still fuelling the spending boom, with 52% of them using spare cash to buy new technology.

Local is lekker

Only a tiny minority of marketers believe that multinational agencies deliver a better service than local ones, according to a new study sponsored by Agency Assessments International, a London-based agency search and assessment specialist. T research reveals that a mere 4% of clients agreed with the proposition that "multinational agencies deliver better all-round performance". Sixty-seven percent of clients disagreed.

A similar scepticism prevailed on the other side of the agency-client fence, just 23% of agencies agreeing that multination companies made better clients. However, there were more positive responses when it came to 'value for money'. Eighty-si percent of agency bosses believe they offer clients better value than they did five years back - and, surprisingly, a majorit of clients (60%) felt the same way.

Ecommerce regulatory body

A new worldwide regulatory body has been formed with the aim of building consumer trust in ecommerce. The Global Trustmark Alliance, which includes FEDMA (Federation for European Direct and Interactive Marketing) and self-regulatory organisations from Europe, the USA and Asia, aims to promote a safe system for cross-border transactions. Says Alistair Tempest, director general of FEDMA: "Problems such as spam and online scams can destroy consumers' trust in online marketing and e-commerce. We hope this initiative will help consumers identify reputable ecommerce sites, and contribut to the continued growth of cross border ecommerce and marketing."

One of the first aims of the GTA will be to set up guidelines to resolve cross border complaints and later to issue an international trustmark.

Has the deathknell of product placement sounded?

The newly-installed professor of marketing at Oxford University has expressed doubts about product placement and advertiser-created TV shows. Says Dr Douglas Holt: "The 30-second advertisement on TV may well die but in five to 10 years from now sponsored film will be the dominant way to build iconic brands." And he believes these films will appear at start of DVDs or internet broadcasts.

Dr Holt adds neither product placement not advertiser-linked shows can communicate a strong enough message to consumers.

Packaging trends are in the can

With consumers looking for ever more convenience, the new revolution in metal can manufacturing now enables consume to buy microwaveable cans, cans that are 'self-heating', and even cans that promise not to impact the flavor or texture of th food packed in the can, according to ACNielsen.

Although the technology has been around for decades, and as recently as 2002 Nestle introduced some coffee products w self-heating cans, there is still a need for production improvements and lower package cost. The three-piece 'self-heating' cans have a bulky, heat-generating chamber in the can's interior, thus reducing the capacity of the cans. As the technolog improves expect a new paradigm for "to go" coffees, soups and an extension of the technology to more hearty products lik chili and stews.

Until that technology evolves, the canning industry is moving towards the use of peelable lids and polymer steel constructio to help brands differentiate themselves and offer consumer benefits. The new opening tab, EZO, (for "easy to open") now accounts for nearly one-third of the U.S. market, and estimates for 2008 are that EZO cans will be used for two-thirds of th canned foods market - a big help for aging baby boomers, many of whom will experience some form of arthritis. Polymer coated steel cans give enhanced protection to products like fish without compromising the flavor or texture in any way.

However, can manufacturers aren't just thinking of the senior market, but also children and the disabled. To help these segments of the market and to extend the life of the products in the cans, new technology called Top Dot(TM) has come u with a low cost plastic dimple or "dot" placed in the middle of the top of the can. When peeled back, the lid lifts off easily because of the vacuum release. Less expensive than glass or plastic packaging, the new dot top is both easy to open and close, and its resealable lid assures product freshness for a second or third helping.

Data sourced from the World Advertising Research Council (which sources its news from media around the globe); ACNielsen; and international agency websites.